

USAID Grant Agreement No. SOAG-306-04-12

STRATEGIC OBJECTIVE GRANT AGREEMENT

AMENDMENT NUMBER TWELVE

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF ISLAMIC REPUBLIC OF AFGHANISTAN (GIRoA)

TO

**PROVIDE SUPPORT FOR PROGRAMS TO ACHIEVE STRATEGIC
DEVELOPMENT OBJECTIVES**

Dated as of: September 25, 2008

AMENDMENT NUMBER TWELVE
TO
STRATEGIC OBJECTIVE GRANT AGREEMENT

AMENDMENT NUMBER TWELVE TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT between the Government of the United States of America, acting through the United States Agency for International Development (USAID), and the Government of the Islamic Republic of Afghanistan (hereinafter referred to as the "Grantee" or the "IRoA"), acting through the Ministry of Finance, dated as of September 25, 2008.

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement ("SOAG") to provide support for programs to achieve strategic development objectives (USAID Grant Agreement No. SOAG-306-04-00) dated September 19, 2005 and subsequently amended that SOAG on:

- September 30, 2005 (Amendment No. 1);
- April 6, 2006 (Amendment No. 2);
- May 11, 2006 (Amendment No. 3);
- June 28, 2006 (Amendment No. 4);
- September 18, 2006 (Amendment No. 5);
- July 2, 2007 (Amendment No. 6);
- July 23, 2007 (Amendment No. 7);
- September 19, 2007 (Amendment No. 8);
- September 30, 2007 (Amendment No. 9); and,
- April 10, 2008 (Amendment No. 10).
- September 21, 2008 (Amendment No. 11)

The SOAG as so amended is referred to hereinafter as the "Agreement."

WHEREAS, USAID and the Grantee desire to further amend the Agreement to: (a) increase the USAID contribution by **One Hundred Fifty One Million** United States (U.S.) Dollars (**U.S. \$151,000,000.00**); and (b) update the illustrative financial plan to cross reference and cross-walk the original SOAG budget information against the new standardized program budget structure.

WHEREAS, USAID and IROA acknowledge that programming decisions for the use of these funds shall be made in coordination with the appropriate Ministry, and such decisions shall be recorded in PILs with countersignature by the relevant Minister and the Minister of Finance.

NOW, THEREFORE, the Parties hereto hereby agree that the Agreement shall be amended as follows:

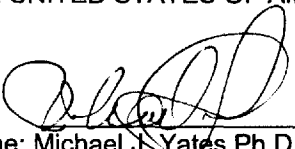
1. The first sentence in Section 3.1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof: "(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed **Seven Hundred Ninety Four Million Thirty Seven Thousand Four Hundred Eleven and Ten Hundreths** United States (U.S.) Dollars (**U.S. \$794,037,411.10**) (the 'Grant')."

2. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof.
3. The following paragraph is added to the end of the Section 2.1 of the Agreement:
"Activities pursuant to this objective shall be aligned with the Afghanistan National Development Strategy (ANDS), and will assist the GfRoA in the implementation of the ANDS."

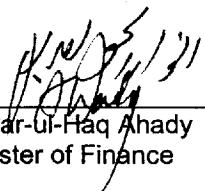
Except as further amended herein, all other terms and conditions of the Agreement remain unchanged and in full force and effect. Capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement. This Amendment is prepared in both English and Dari. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the United States of America and the Government of the Islamic Republic of Afghanistan, each acting through its duly authorized representatives, have caused this Amendment Number Twelve to be signed in their names and delivered as of the day, month and year first written above.

THE UNITED STATES OF AMERICA

By: 
Name: Michael J. Yates Ph.D.
Title: Mission Director
USAID/Afghanistan

THE ISLAMIC REPUBLIC OF AFGHANISTAN

By: 
Name: Anwar-ul-Haq Ahady
Title: Minister of Finance

Attachment A

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No.12

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008 *	Amount Remaining to be Obligated in FY 2008 - FY 2010 **	Total Estimated Contribution
PROVIDE PROGRAM SUPPORT FOR PROGRAMS TO ACHIEVE STRATEGIC DEVELOPMENT OBJECTIVES USAID Grant Agreement No. SOAG-306-04-00					
Quick Impact Program (QIP) & Local Governance Capacity Development (LGCD) - PRTs	283,029	30,000	313,029	160,778	473,807
Disarmament, Demobilization and Reintegration Program (DDR)	-		-	-	-
Other Cross-Cutting Initiatives (includes ARTF, NSP, etc.) ***	304,456	121,000	425,456	296,091	721,547
USAID Program Support	55,552		55,552	41,139	96,691
TOTAL OBJECTIVE 4:	643,037	151,000	794,037	498,008	1,292,045

NOTE * -- References to "FY" refer to the USG fiscal year for the USAID contribution and the IRoA contributions beginning in the second half of Afghan year 1384

NOTE ** -- These funds are subject to the availability of funds to USAID and the Grantee and the other conditions set forth respectively in Section 3.1 (b) and Section 3.2 (b) of the Agreement

NOTE *** -- The illustrative financial plan previously included a line item for "Pre-existing Mortgages"; however, the funds in that line item are now included in the relevant programmatic line items indicated above

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010
Amendment No. 12
In Thousands of U.S. Dollars

Objective	Program Area	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No.12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008*	Amount Remaining to be Obligated in FY 2008 - FY 2010**	Total Estimated Contribution
PROVIDE PROGRAM SUPPORT FOR PROGRAMS TO ACHIEVE STRATEGIC DEVELOPMENT OBJECTIVES USAID Grant Agreement No. SOAG-306-04-00							
1. Peace & Security	5 Transnational Crime	Cross Cutting Activities	385		385	-	385
	6 Conflict mitigation and Reconciliation	PRTs	228,917	20,000	248,917	-	248,917
2. Governing Justly and Democratically	2 Good Governance	Cross Cutting Activities	326,171	121,000	447,171	454,869	902,040
	4 Civil Society	Cross Cutting Activities	9,000		9,000	-	9,000
3. Investing in People	3.3 Social and Economic Services and Protection for Vulnerable Populations	Cross Cutting Activities	23,012	10,000	33,012	2,000	35,012
6. Operating Unit Management	6.1 Cross Cutting Management and Staffing	Cross Cutting Activities	55,552		55,552	41,139	96,691
TOTAL OBJECTIVE 4:			643,037	151,000	794,037	498,008	1,292,045

NOTE * -- References to "FY" refer to the USG fiscal year.

NOTE ** -- These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3.1 (b) of the Agreement